

SENATE BILL REPORT

SJM 8001

As Passed Senate, February 5, 2002

Brief Description: Exploring the option of managing prescription drug prices through cooperative strategies with other Northwest states.

Sponsors: Senators Franklin, Thibaudeau, Winsley, Costa and Kohl-Welles.

Brief History:

Committee Activity: Health & Long-Term Care: 1/11/01, 2/7/01 [DP].

Passed Senate: 3/9/01, 45-0.

Second Special Session: Passed Senate: 6/19/01, 44-0.

Passed Senate: 2/5/02, 46-0.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass.

Signed by Senators Thibaudeau, Chair; Franklin, Vice Chair; Costa, Fraser and Winsley.

Staff: Jonathan Seib (786-7427)

Background: Influenced by price increases, greater utilization, and changes in the types of prescriptions used, national expenditures for prescription drugs have been one of the fastest growing components of health care spending in the past decade, increasing 15 percent from 1997 to 1998, compared to 5 percent for all personal health care spending. In the past five years, the increases in prescription expenditures have been two to four times the percent change in expenditures for most other health care services.

This increase in prescription drug expenditures has contributed to the significant growth in the cost of state health care programs. There is also concern that for those not enrolled in a public program or otherwise without prescription drug coverage, some drugs are simply not affordable. In other parts of the country, neighboring states have worked cooperatively in an attempt to address prescription drug expenditure issues.

Summary of Bill: The increasingly significant contribution of prescription medications to managing and treating illness is recognized, but concern is expressed about their cost to the general public and to government health care programs. It is suggested that certain practices at the federal level have contributed to these high costs and made it more difficult for states to address the problem. Washington State officials are called on to explore the possibility of working in concert with other Northwest states to ensure reasonable prescription medication prices through such strategies as joint pricing and purchasing agreements.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: Opportunities may exist through interstate cooperation to address concerns about increasing prescription drug expenditures. Such cooperation should be encouraged.

Testimony Against: None.

Testified: Allen Marrow, Senior Citizen's Lobby (pro); Barb Flye, Washington Citizen Action (pro); Jeanette Williams, Washington Citizen Action (concerns); Cliff Webster, PhRMA.